







Introduction



As we approach the end of the third year of the six-year, \$150 million Sector Partnership Fund (SPF) program, it is time to provide you with a status report on the progress being made by the various industry sectors.

This is only the beginning but what a beginning it is:

- \$71.5 million committed to date (as of January 1, 1995);
- Some involvement with 28 diverse sectors; and
- Consultations with over 2,000 stakeholders.

In partnering with 22 unions, 93 industry associations and 28 universities and colleges this approach has become a huge success!

New partnerships are being formed between management and labour, between competing companies, and between industry and academia. Together, they are developing projects which, for example, are:

- Supporting one-stop shopping for research & development at the Guelph Food Technology Centre (Agriculture and Food Processing Sector);
- Developing the information super highway (Telecommunications Sector); and
- Assessing opportunities in overseas markets where we can export our knowledge of health services (Health Industries Sector).

These are just some examples of the accomplishments of individuals, unions and firms who have decided the "sector development approach", supported by the government, would enhance the competitiveness of their industries. This approach seeks:

 to bring together competitors in a given industry who realize that cooperation and competition are complementary to sector development; and • to move entire sectors to increased value-added activities leading to stronger industries and higher quality jobs.

The sector development approach, recently adopted by Ontario industry, is being embraced by many jurisdictions not only in Canada but also across North America and overseas.

The Sector Partnership Fund supports this approach by providing funding for the development of sector strategies and the start up of initiatives. It is accessed by sector boards, councils and committees who represent a number of stakeholders from the sector including labour groups, small and large producers of goods and providers of services, industry associations and academia.

The sector stakeholders formulate a strategy workplan to access the SPF for funding which can be used to hire a consultant to help prepare the sector strategy. The strategy addresses sector challenges and identifies initiatives which would enable the sector to become more competitive. Strategies approved by the government are implemented through the start up of initiatives.

All proposals to the Sector Partnership Fund must meet the following guiding principles:

- **cooperation:** strategies or initiatives must have the broad endorsement of sector stakeholders;
- leverage: requests for funding by government of strategies or initiatives must be met by stakeholder contributions of, at least, 50 per cent; and
- accessibility: strategies and initiatives are open to many, if not all, sector stakeholders.

A fourth guiding principle is that of flexibility on the part of government in responding to proposals submitted by sectors. This principle recognizes that every sector is unique and that government must be responsive to the needs of individual sectors.

As sector committees make their way through the SPF process, they are encountering a number of common issues which affect their competitiveness. The main issues identified through the sector strategies are:

- Training;
- Technology, Research and Development;
- · Marketing for Export; and
- Access to Capital.

The information contained in this package is designed to provide you with a snapshot of the other sectors involved in the sector development approach, with information on the common issues encountered by most, and with the names of contacts who may be able to further your sector's aims towards a more competitive industry.

Sector committees, boards and councils are supported by a number of Government of Ontario ministries. Eight ministries serve as access points and facilitators for those sectors wishing to develop sector strategies:

Sector	Ministry		
Agriculture/Food Processing	Agriculture, Food and Rural Affairs		
Cultural Industries	Culture, Tourism and Recreation		
Forestry	Natural Resources		
Green Industries	Environment and Energy		
(Environmental Goods and Services)			
Health Industries	Health		
Horseracing	Consumer and Commercial Relations		
Mines and Minerals	Northern Development and Mines		
Tourism	Culture, Tourism and Recreation		
Wine	Consumer and Commercial Relations		
Advanced Materials	Economic Development and Trade		
Aerospace	cc .	66	66
Apparel	66	"	"
Auto parts	66	"	"
Biotechnology	"	"	"
Chemicals	"	66	"
Computing	"	"	"
Construction	66	"	"
Consulting Engineering	66	"	"
Design	"	44	"
Electrical/Electronic	66	66	"
Machinery/Tool, Die & Mould	66	66	"
Plastics	"	44	"
Residential Furniture	66	44	"
Retail	66	"	"
Telecommunications	"	"	46

For additional information on sector development, including the Sector Partnership Fund, please contact Rob Glaister, Manager Sector Coordination Section, MEDT at (416) 325–6766.



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Sector snapshots

Producers of advanced materials seek cross-sectoral opportunities Advanced materials

Advanced materials, such as ceramics, metals, semi-conductors and polymers, have become such a common part of everyday life that they are mostly taken for granted. The advanced materials sector is an important supplier to the auto parts, plastics and health sectors among others and, as such, is pursuing opportunities for cross-sectoral initiatives. Consultation within the industry is currently taking place and a sector strategy workplan has been completed.

Aerospace sector formulates plan for growth Aerospace

With decades of experience and thousands of skilled workers, the aerospace sector has brought together over 100 participants, including 40 companies and two unions, to develop a sector strategy and to propose a number of initiatives. The SPF contributed \$387,800 to develop the strategy. The comprehensive plan for growth includes such elements as: increased industry ability for product design and engineering, and an increase in the use of new technology complemented by ongoing training and skills development. The sector strategy was endorsed by the Ontario government in April of 1994.

A further \$400,000 was committed in July of 1994, to establish an infrastructure in the form of the Ontario Aerospace Council (OAC) created to represent the sector. The OAC is responsible for developing and implementing the initiatives identified in the strategy. It represents large, medium and small manufacturing companies, the Canadian Auto Workers Union, and the International Association of Machinists & Aerospace Workers.

One-stop shopping for food processing r&d Agriculture & food processing

One stop shopping will be the order of the day for food processing companies seeking access to research and technology expertise and facilities. The Guelph Food Technology Centre (GFTC) is a non-profit, industry-owned and operated R&D facility that is playing an important role in the development of a competitive food processing industry in Ontario.

The Ontario government committed \$15 million over five years to the Centre in October of 1993. The first phase of the GFTC opened in November 1993. Phase II, which will include a pilot plant for new product development, was begun in the Fall of 1994.

Cabinet also approved an Ontario food processing industry strategy identifying seven competitive issues and strategic thrusts to be implemented over a five year period in June of 1990 and reconfirmed it in 1991.

Apparel sector meets to address threat of increased competition

Apparel

Battered by the impacts of the recession and cheap imports, the apparel sector came together to formulate a strategy to make this well-established industry more competitive. The Apparel Strategy Workplan Committee is composed of large and small manufacturers, designers, retailers, labour, industry associations, trade media and academia. In the summer of 1994, \$385,000 was approved for the development of a sector strategy, a process expected to begin once agreement is reached among the players.

Enhancement of manufacturing capabilities and expansion of markets focus of auto parts sector

Auto parts

Management and labour joined forces to formulate an auto parts sector strategy that addresses nine objectives: strong customer relationships; innovative products; globally competitive cost, quality, and delivery; a highly skilled workforce; strong management capabilities; greater inter–firm leverage; supportive culture; supportive business climate; and adequate capital. \$500,000 in SPF funding was committed in April 1993 to develop the strategy.

The sector's Phase I initiative proposed two main items: 1) the establishment of an automotive parts industry representative in Tokyo and Brussels and 2) support of further business cases and pilot project development for, among others, market development strategies, testing of benchmarking tools and the development of environmentally sustainable production methods. \$990,000 was approved for the Phase I initiative in July of 1994.

Sector stakeholders include representatives from the Automotive Parts

Manufacturers' Association, the Canadian Auto Workers Union and the

Automotive Industries Association of Canada.

Biotechnology strategy addresses growth opportunities Biotechnology

In formulating its sector strategy, the biotechnology industry has focused on the issues that must be addressed to ensure growth. The strategy will guide initiatives that will contribute to the accelerated diffusion and integration of biotechnology across other sectors to enhance their competitiveness and increase their value-added activity. Funding of \$420,000 was approved in December 1993 to support the development of a strategy.

Small and medium-size producers come together Chemicals

The chemical industry has long been known for its innovation in the development of products sold around the world. Specialty chemical and formulated products companies have come together to make Ontario's industry, dominated by multi–national companies, more competitive.

A workplan to support the development of a strategy was approved by the Ontario government in March 1994 for \$350,000 with the funds disbursed through the Canadian Chemical Producers' Association. A final strategy is expected soon.

Virtual facility and electronic commerce institute set to be launched

Computing

The computing sector has an important role to play in making Ontario more competitive. Not only is it a sector in its own right, but it is also an enabler that can help make a number of other sectors more competitive. With this in mind, developers, suppliers and users of computer hardware, software and related services as well as industry associations and telecommunication companies formed the Advisory Council on the Computing Sector.

The SPF contributed \$485,000 to the development of a computing sector strategy, "Agenda for Action", tabled with the Minister in December 1993. The sector strategy identified initiatives and opportunities for the sector to increase its competitiveness. In May 1994, the government announced its adoption of a computer sector strategy, including approval in principle of a computing sector resource facility and an electronic commerce institute, with an estimated government contribution of up to \$10.6 million in funds over four years.

The linkages between the computing and the telecom sectors were so great that it was decided in the fall of 1994 that the two would be represented by one organization: the Council for an Ontario Information Infrastructure.

Building stronger construction industry goal of sector Construction

The construction industry was an early candidate for Sector Partnership funding. Its strategy workplan, approved in April of 1993, was supported by \$385,000. Subsequently, its sector strategy was approved in July 1994.

The Construction Industry Advisory Council of Ontario (CIACO) formed ten subcommittees to deal with industry specific issues arising out of the workplan. The sector strategy later identified initiatives and opportunities for the sector to increase its competitiveness. Particular emphasis was placed on issues such as regulatory streamlining and "green" building techniques. The CIACO is scheduled to meet with government on a quarterly basis to discuss issues of concern to the industry.

Sector seeking world markets for Canadian ingenuity Consulting engineering

Ontario's consulting engineers are known around the world for their skill and ingenuity. But, as with most sectors, changing demands on the world market have made it imperative that the industry cooperate in order to remain competitive.

\$350,000 in financial assistance was committed in August 1994 to the development of a consulting engineering strategy. Completion of the strategy is expected in the summer of 1995.

The business of culture Cultural industries

A comprehensive sector strategy titled "The Business of Culture" identified issues in the cultural industries' four major sub-sectors: book and magazine publishing, film and television production, sound recording and commercial

theatre. The Advisory Committee on Cultural Industries received \$460,000 in June 1993 to develop the strategy.

As with a number of sectors, the strategy presents initiatives and opportunities to increase competitiveness. These are intended to promote growth within the sector and include such elements as: industry programs, partnerships and initiatives designed to advance the sector's competitive position; a revitalized role for government in sector development; improved research and development capabilities; and strengthened working relationships among all sector players.

Recommendations made in the strategy include: the creation of a centre for cultural industries and technology; a cross-sectoral marketing strategy; permanent status for the Ontario Film Investment Program; and a comprehensive Cultural Industries Development Agency. A sectoral council would be established to lead the industry's component of implementing the cultural industries strategy and to develop specific proposals for initiatives.

Design sector to develop partnerships Design

As an enabling sector, the design industry is looking to a number of other sectors with which to develop partnerships. The design sector launched its strategy on September 23, 1994 with the opening of its facilities in the newly-renovated former Toronto Stock Exchange building on Bay Street. The Ontario government had approved the workplan to develop a strategy and had committed \$447,000 to the project.

The sector is considering a number of initiatives that may be brought forward.

These include: business support and awareness programs delivered at the Design Exchange; a Design Ambassador Program; and support of the 1997 Worldesign Conference in Toronto.

Dynamic electrical & electronic sectors paired for sector development

Electrical & electronics

Ontario has a vibrant electrical and electronic products sector. It was given the go ahead by the Ontario government in November 1994 to develop a sector strategy. \$445,000 was committed to this first stage of the project to enhance competitiveness.

This diverse sector is made up of manufacturers of major and small appliances, lighting, industrial and power generation equipment, wire and cable, consumer electronic products and microelectronics. The main issues identified in the strategy workplan included: export development, world product mandates, technology, human resources and microelectronics.

Forestry Forestry

During 1991 and 1992, the Ontario forest products industry experienced two of the most difficult years in its history. In 1991, the Forest Industry Action Group (FIAG) was formed to examine how industry, labour and government could more effectively contribute to restoring this sector's competitiveness.

Many of the FIAG recommendations are now becoming reality. There are numerous examples across the province of this industry's successes. For example, management and labour are entering into new agreements to remove barriers to improved productivity. The parties have also worked aggressively to save three pulp mills from closure. Approximately \$1 billion in investment, resulting in the creation of 2,000 new jobs, is expected over the next couple of years when as many as nine new mills (some panel, some lumber) are established using Ontario's abundant low–grade hardwoods.

Commercializing Ontario's environmental technology Green industries

Ontario's knowledge and technology related to the green industries sector gives it a distinct advantage on the world market. But many small and medium size enterprises looking for support in the commercialization of environmental technologies have found this a frustrating and fruitless search.

They can now look to the Ontario Centre for Environmental Technology Advancement, better known as OCETA, an initiative of the green industries sector. The Centre received approval in November 1993, at which time \$4 million dollars in SPF funding was provided. The Centre officially opened its doors in the Fall of 1994.

A healthy and wealthy sector Health industries

A healthy and wealthy sector will be the result of industry players working together after adopting the sector development approach of cooperation and competition. Private and public organizations supplying health products and services have formulated a sector strategy and business plans to implement initiatives.

A strategy workplan was approved in June 1993 for \$490,000. Next, an initiative known as Interhealth received approval in October 1993 for \$3.5 million of SPF funding. The strategy "Healthy & Wealthy" was approved in April of 1994. It focuses on domestic and international marketing, the sector's infrastructure and economic development.

Three negotiating frameworks for specific initiatives identified in the strategy have come forward in conjunction with the overall sector strategy. The funding requested for these three negotiating frameworks is up to \$7.6 million.

Horse racing strategy being formulated Horse racing

The impact of the recent recession, increased competition from other sources of entertainment like legalized gaming products, and the need for an improved image present the horse racing industry with challenges like never before. The sector development approach has brought together various business people from the racing and the horse breeding industries to develop a strategy to make the industry more competitive in the face of new difficulties. A strategy workplan was approved August 1994 for \$355,000.

Common issues link two related industries Machinery/tool, die and mould

Two industries were brought together to form the machinery and tool, die & mould sector. Its workplan was given approval in July 1994 and \$500,000 was committed to the development of a sector strategy. Both sectors were in the midst of accessing the Sector Partnership Fund when the similarities in background and issues became apparent. They were then combined to deal with issues of human resources, investment, finance, technology and marketing.

Key stakeholders include the Industrial Research and Development Institute, the Machinery and Equipment Manufacturers' Association of Canada and the Canadian Tool Manufacturers' Association.

Exports and technology focus of mining sector Mines/minerals

A healthy mining industry that is both economically and environmentally sustainable is the goal of this industry. The sector will also develop a longer-term focus on technology and the promotion of higher value-added activities

throughout the sector. Partners in the strategy development process included Laurentian University and Cambrian College in Sudbury, business, labour and industry associations. The sector strategy was approved in April 1994 and export initiatives were approved in principle in December 1994. The initiatives will expand exports of mining equipment and increase research and technology transfer in the sector.

Sector strategy identifies six initiatives Plastics

The plastics sector strategy outlines six key initiatives, including recommendations for a research and development centre and a renewed emphasis on training, to enhance this industry's competitiveness. A strategy workplan requiring funding of \$380,000 was approved in September 1993. The strategy was completed and received approval from the Ontario Government in May 1994. Business plans are being developed for three of the initiatives outlined in the strategy.

Sector finds strength in cooperation Residential furniture

The residential furniture sector is emerging from the recession with a strategy to improve competitiveness in this hard-hit industry. With funding of \$350,000 approved in April 1993, the Residential Furniture Sector Advisory Committee set out to write a strategy to turn the industry around. Business cases will now be developed for initiatives identified in the strategy. These are aimed at expanding exports, increasing design and technology capabilities and providing training at all levels of the sector workforce.

Retail sector preparing to enhance its competitiveness Retail

Issues familiar to a number of sectors were raised by small and large retailers, retail associations, labour and academia when they came together to discuss how the sector could be made more competitive.

The issues identified include: a need to enhance education and training, improve technology transfer, foster innovation and help retailers adapt to changing consumer needs.

The sector received \$491,000 in June 1994 to develop a sector strategy. A proposal for a Centre for the Study of Commercial Activity has been submitted for review by the government and has been approved in principle.

Construction of information infrastructure starts here Telecommunications

Like computing, telecommunications is a key sector of the provincial economy as well as a critical enabling infrastructure to other sectors. As a result of a report tabled in August 1992 by the Advisory Committee on a Telecommunications

Strategy, the government announced the provincial telecommunications strategy in February 1993.

Included as part of the strategy was the establishment of the \$100 million Ontario Network Infrastructure Program (ONIP) funded from jobsOntario capital. To date, a total of 25 projects representing a commitment of over \$16 million have received approval and are underway with a large number of other projects at various stages of development and approval.

In addition to these funding initiatives, the telecommunications strategy established a goal for the Ontario government as a "model user" of telecommunication and other information technologies.

"Opportunity, Progress, Innovation" in tourism sector Tourism

Close to 500 delegates from all parts of the tourism industry and from across the province came together in the Spring of 1993 to discuss the challenges they were facing. The result, after many months of work, was a dynamic new vision for the sector contained in the sector strategy. "Opportunity, Progress, Innovation" which was completed in January 1994. A workplan for the development of the strategy had been approved in April 1993 for \$400,000.

The sector's first proposed initiative, a highway signs pilot project, was approved for \$1.1 million in May 1994. Signs were developed to guide tourists to Ontario destinations. The pilot signage project has been set up and, subject to testing, evaluation and funding, a full program will be put into place by the summer 1995.

Marketing is focus of wine sector program Wine

The success of Ontario's wine sector in the marketing of its products domestically and abroad is well known. A \$2.8 million wine marketing campaign, funded by the SPF, was approved by the Ontario government in July 1994.

The marketing program was part of a 12-year competitiveness strategy for the grape and wine industry. The strategy, approved by government in 1989, provided for a winery assistance program to support winery efforts in becoming more competitive. The grape and wine strategy was designed to improve quality and price, and create a positive image for the products in Ontario and abroad. SPF assistance of \$11 million has been committed for the third and final phase of the Ontario Wine Adjustment Program.





Common Issues

A review of the workplans and strategies that have been developed reveal that a number of sectors share some important common concerns. Clearly many sectors of the economy are facing similar challenges. The recommendations of individual sectors may be relevant to others addressing the same types of problems.

In particular four major issues emerge as vital to the competitiveness of many or all of the sectors. The following four sections of this binder examine the most common issues that were raised in almost all individual workplans and strategies. The four issues are:

- training;
- technology, research and development;
- · access to capital; and
- marketing for export.

Each section gives a description of the issue and some include *selected* examples of recommendations that were put forward in sector strategies. Some are now approved initiatives, others are recommendations to expand or enhance the mandate of an existing service, and others still are recommendations that have not been approved. This information should be useful to any sector at any stage in the sector development process.



Training Issues

Virtually all sectors have included in their workplans and strategies recommendations for additional training to make their industries more competitive. Similar training needs have been identified in many sectors. For example, training for managers and small-business owners is needed by the furniture and retail sectors. Service industries such as retail and tourism need customer service training for front-line staff. The need to upgrade the technological skills of staff is identified by most sectors while the manufacturing sectors mention the need to improve the availability of tooling skills.

The following summarizes the common training issues outlined in sector strategies and workplans:

- needs assessment identify training needs to facilitate the upgrading of employees, management and support systems and structures;
- program design and delivery new programs to reflect the diverse nature of industry today and increase accessibility;
- partnerships and linkages build on existing ones and develop new ones among industry, government and academia;
- funding identify methods for strengthening education and training funding base; and
- information bank specialty skills bank/network to balance supply and demand.

1) Management Training

The often-overlooked training needs of managers have been identified by a number of sectors as an area in which further work is needed. The residential furniture sector strategy includes a list of soft skills required by managers which could be applied to most industries: communications, conflict resolution, analysis, problem solving, entrepreneurship, production

planning and an overall understanding of business objectives and how things get done. Other generic skills for which cross-sectoral training opportunities exist are financial management, strategic and business planning, staff development, succession planning, marketing and export marketing.

2) Improved Customer Service

An important determinant to the competitiveness of a number of sectors is their responsiveness to customers' needs. The tourism, retail and residential furniture sectors mention the need to train staff to ensure the provision of quality service to more demanding and discerning consumers.

The tourism strategy specifically identifies the need to improve the quality of service delivery at all levels within the industry. As with most Ontario industries, increased worldwide competition has led to expectations of high levels of service quality by consumers. The Ontario tourism industry recognizes that it must develop internationally-recognized levels of customer service to compete with other tourism destinations. While it is the quality of the Ontario tourism product that initially attracts visitors to Ontario, it is the quality of service consumers experience that will bring them back.

3) Computing Skills

It comes as no surprise that the majority of sectors mention the need for increased computing skills as technology makes in-roads into practically every industry in Ontario. Different sectors have varying needs within the computing skills set:

i) Manufacturing sectors:

Nearly all industries mass producing consumer products now use CAD/CAM (computer assisted design & computer assisted machinery) technology. Opportunities for shared computing training initiatives may exist in the auto parts, plastics, furniture, apparel and health (manufacturing of health devices) sectors.

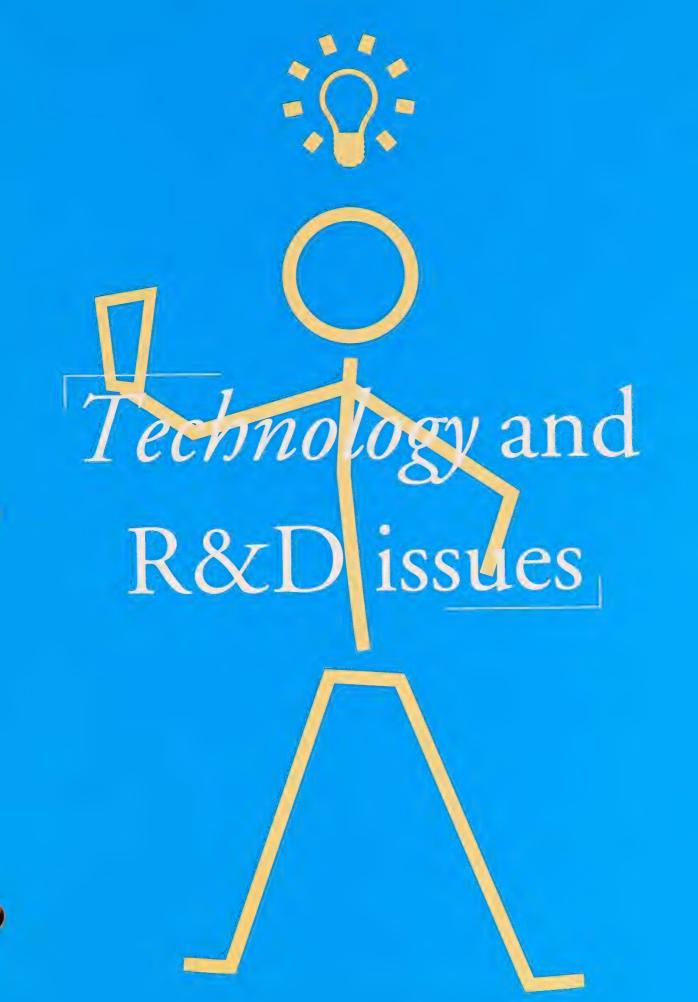
ii) Service industries:

Complex business machines in the service industries are putting a lot of pressure on owners to train their staff in computing skills. For example, modern cash registers not only record daily sales but also keep track of inventory making accurate data entry doubly important. Staff need to be trained on existing technology to prepare for the next generation of computers replacing the traditional cash registers and other business machines. The retail and tourism sector are particularly affected by this new technology as is the computing sector.

4) Tooling Skills

Manufacturing sectors face another training challenge. The demand for employees with tooling skills outstrips the current supply. Any sector where products are mass-produced will, at some point in the process, require staff with tooling skills. Sectors affected by this shortage of skilled workers include: auto parts, health manufacturing and aerospace.







Technology and R&D Issues

More than three quarters of sectors have raised technology and R&D issues as key to their competitiveness in the "Information Age". Technology and R&D issues confront industry in the design, manufacture, delivery and marketing of their products. Many sectors face similar technology development and application challenges.

Manufacturers of products like apparel, furniture and medical products all face growing demand from their customers for computerized inventory management (ie. Electronic Data Interchange). High-tech sectors like plastics, aerospace and telecommunications need to routinely invest in research and development to keep up.

The following summarizes the technology and research and development issues outlined in sector strategies and workplans:

- research and technology development where no existing technology suits the needs identified by a sector;
- technology implementation to integrate identified technologies into appropriate products/processes;
- technology transfer (diffusion/access) to identify and disseminate information on existing technology and developments to satisfy a sector's needs;
- strategic alliances to undertake research and develop technology;
 and
- technology evaluations against the current and future needs of a sector.

To address their specific challenges, sectors proposed different initiatives. Some may have relevance to other sectors faced with similar market conditions or circumstances. Below are some examples of those recommendations. These are a combination of approved initiatives and recommendations only.

Cultural sector - Ontario Centre for Cultural Industries and Technology

Create an industry-led Centre for Cultural Industries and Technology, in partnership with government, to encourage strategic alliances and position Ontario's cultural industries as world leaders in multimedia content for the electronic highway.

The Centre's mandate would be to provide support in the form of knowledge transfer/brokering, informal training, partnership development, market and product research advice, product development and other resources to creators and early-stage small and mid-sized Ontario content developers to enable them to grow and prosper.

- structure possibly 'virtual' exploiting electronic communications, with limited space requirements
- senior board of 12 members
- initiative in early development

Food processing sector – Guelph Food Technology Centre (GFTC)

The Guelph Food Technology Centre (GFTC) is an initiative designed to spearhead research and development of food industry technology in Ontario to ensure that the technology is available to the small and medium-sized companies that can use it most effectively.

The Centre will promote competitiveness and business excellence by developing profitable research strategies. It will:

- improve technology and information transfer;
- help identify market opportunities;
- provide accessible, first class pilot plant facilities;
- support the development of quality food products; and
- offer referral and counselling services.

The Centre is a partnership with the food industry, government, labour and the University of Guelph.

- arms-length relationship with the University of Guelph, located on the Guelph campus, access to intellectual resources and facilities of the university
- umbrella organization for projects involving a number of industry partners, draws on industrial expertise of the private sector
- approved November 1993
- Sector Partnership Fund investment of \$15 million over three years

Health Industries Sector - The Regional Technology and Innovation Initiative

Would establish a Regional Technology and Innovation Initiative to bring research and innovation to development and manufacturing stages more quickly by using more efficient and effective technology linkages.

Services would include:

- early identification of promising technologies or innovations within the research community;
- initial assessment of the commercial viability of such technologies;
- · advice to the research community on industry needs; and
- evaluation of future technology and research opportunities.

The Health Industries Sector Council would oversee the initiative, closely tied to the Competitiveness Network.

- implemented in phases, pilot sites would include Ottawa and London
- initiative to become self-funding with revenues from fees for service, sponsorship, annual membership fees, in-kind contributions, other federal and provincial agencies
- funding approved in principle, business plan expected soon

Plastics Industry - Plastics Technology Alliance

To support the plastics industry, the Plastics Technology Alliance would identify and meet existing and anticipated technological needs of the industry to improve productivity by promoting the use of existing technologies and by developing new technologies.

The alliance would be formed by combining various technological resources within the plastics industry — the one-stop shopping concept.

- governed by a board of directors drawn from the alliance organizations
- The four alliance organizations are:

Canadian Plastics Institute (CPI)

Manufacturing Research Corporation of Ontario (MRCO)

Ontario Centre for Materials Research (OCMR)

ORTECH Corporation

- provincial funding requested for up to \$12 million over four years
- business plan being developed, board of directors being formed
- private sector company to provide facility for training







Marketing for Export

With trade barriers and protections dropping, all of the 14 sectors with completed strategies have identified the need to raise their profile and aggressively market themselves to increase exports and international investment.

High growth markets in health, biotechnology and green industries require quick, aggressive response if Ontario is to capture market share. Other sectors like culture, furniture and auto parts have identified the tremendous impact of the value of the Canadian dollar on their sectors and the need to be able to react quickly. The benefits of consortia in securing large international contracts are discussed by the health, construction, consulting engineering and green industries.

Clearly some of these challenges and solutions could be shared. To address specific marketing, promotion and trade issues the strategies include a range of proposed projects such as:

- information network of products and services as an export marketing tool;
- facilitation of consortia to bid on international projects;
- mechanisms to gather market intelligence;
- marketing strategies for domestic products; and
- government as sector advocate at national and international levels.

Below are examples of projects from some sector strategies. Some are already functioning, others are approved for funding, and others are still simply recommendations.

Health Industries - Interhealth Canada Limited

Interhealth's goal is to pursue and gain international contracts for Canadian health sector firms in key markets around the world. Interhealth combines the expertise needed from all parts of the health sector – private industry, not-for-profit organizations and government – to gain international contracts.

- a private, for-profit corporation with a board of directors and shareholders
- shareholders include institutions, consultants, contractors, manufacturers and government
- Ontario government investment of \$3.5 million over four years
- approved and open for business as of September 22, 1994 announcement

Auto Parts - Representation in Europe and Japan

The sector plans to increase sales to Japanese and European manufacturers in their North American and foreign operations. Representatives are to gather market intelligence, raise the profile of Canadian parts manufacturers, and promote joint ventures and technological alliances.

- initiative is a joint venture with industry and government
- funded through a grant agreement with the Automotive Parts
 Manufacturers' Association
- Sector Partnership Fund investment of \$500,000 over four years
- funding approved in principle, business plan being developed

Residential Furniture – A Centre for Trade Promotion and Market Development

The Centre is to facilitate change, kick-start growth and build long-term self reliance in the sector. Some priorities for the centre are to build U.S. exports, assess business opportunities, and build a customer-oriented culture.

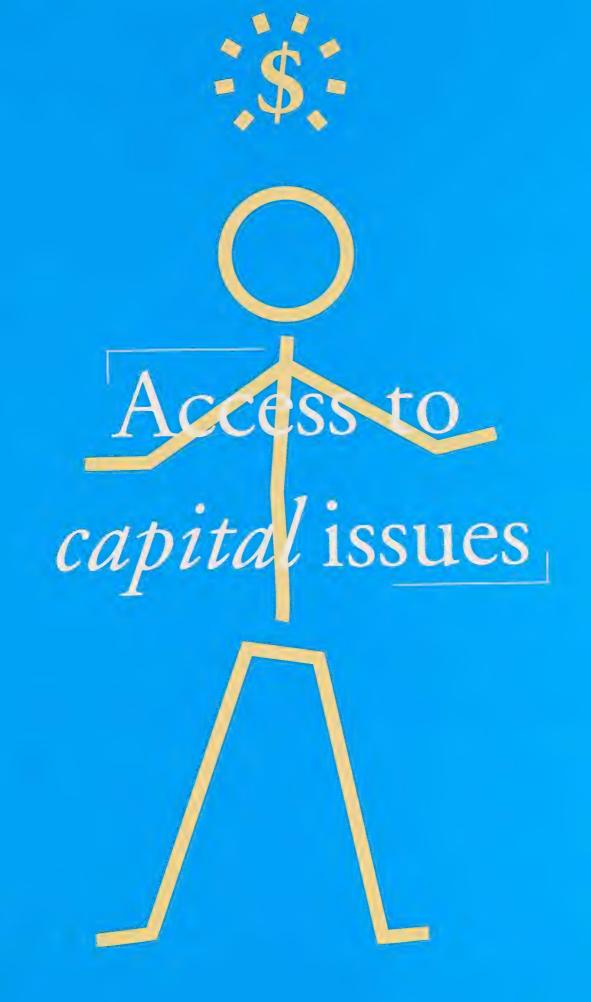
- total SPF funding requested \$3.99 million phasing out over five years
- recommendation only at this stage

Green Industries - Trade Promotion

Trade promotion is one of the three critical areas identified in this strategy. Some of the planned initiatives designed to provide market intelligence, promote sector industries and encourage partnering are:

- a clearing house for information on environmental projects sponsored by agencies such as the World Bank and the Global Environment Facility;
- · export representatives in priority markets;
- · trade missions and promotions to incoming trade delegations; and
- a broker service to facilitate consortia.







Access to Capital Issues

Access to capital is vital to the competitiveness of Ontario's industry sectors. A dozen sectors described the impact this issue has on their ability to use technology, do research, train staff, meet customers' new requirements and generally keep up with rapid changes in their industries and in world markets.

The capital requirements and the ability to access financing varied from sector to sector but many shared common problems. Sectors dominated by small businesses such as construction, furniture, tourism and retail have indicated difficulties in accessing sufficient financing. Sectors that own and develop intellectual property such as computing and design lack the tangible assets upon which lenders have traditionally made credit available. For sectors like aerospace, biotechnology and telecommunications, the financing requirements are often very large with long and uncertain paybacks. For example, the aerospace sector has identified a need to infuse \$400 million into the sector by the year 1999.

Proposed solutions to these common issues contained in a number of workplans and strategies may apply to more than one sector. The following is a snapshot of the recommendations:

- improve access and increase sources of private capital to meet existing and predicted gaps;
- improve relations between financial services/institutions and industry engage in dialogue;
- implement programs to strengthen financial and business development capabilities of small and mid-sized firms;
- establish a capital fund;
- review taxation policies and expenditures; and
- regulation examine challenges of reinvestment and attracting new investment.

In response to business needs, the Ontario government has taken steps to improve the availability of business financing through both regulatory and

program initiatives. Two program initiatives reflecting this approach are the Ontario Lead Investment Fund (OLIF) and the Labour Sponsored Investment Funds (LSIFs).

The Ontario Lead Investment Fund has over \$70 million available for investment in qualified venture capital vehicles that meet the following guidelines:

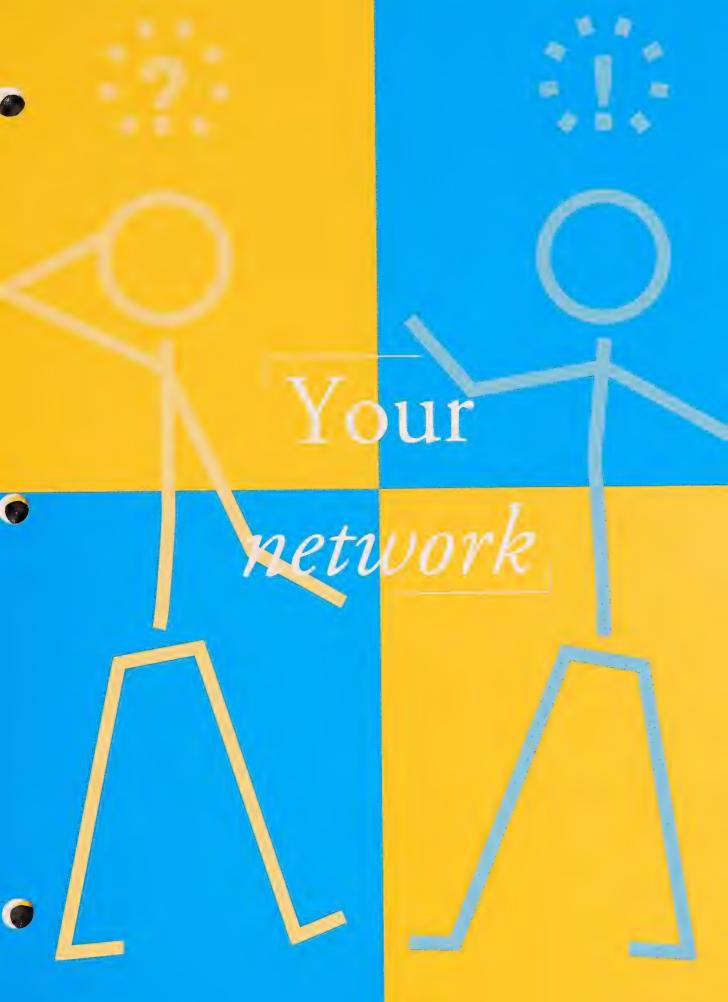
- are between \$10 and \$60 million in size;
- Managers/Sponsors will contribute at least 20% of the capital, which will target companies that:
 - i) are primarily private;
 - ii) have less than \$50 million of sales, but are past the start-up stage;
 - iii) have significant growth potential;
 - iv) are knowledge-based;
 - v) have the potential to generate a superior rate of return and compete in international markets over the longer term;
 - vi) are in sectors compatible with the Manager's expertise; and vii) are primarily Ontario based.

Interested parties should contact Harry Mortimore, Managing Director of the OLIF at (416) 777-6745.

A second program, Ontario's Labour Sponsored Investment Funds (LSIFs) offer small and medium-sized businesses new sources of capital. Qualifying businesses are those with:

- under \$50 million in assets;
- up to 500 employees; and
- a majority of its wages and salaries paid to workers in Ontario.

The public has invested over \$300 million in the funds which are available for investment in eligible businesses.





Your Network

Aerospace: Ontario Aerospace Council Executive Committee

Co-chairs:

Peter Kennedy, CAW (National Office) Tel: 416 495-6544

Fax: 416 495-6554

Cliff MacKay, Executive VP, Spar Aerospace Ltd. Tel: 905 629-7727

Fax: 905 629-8951

Brian Short, Int'l Assoc. of Machinist Tel: 905 677-2925

and Aerospace Workers (IAM)

Agriculture/Food Processing: Guelph Food Technology Interim Board

Sandy Bibby, CEO UFL Foods Inc. Tel: 905 671-0808

Fax: 905 671-0809

Apparel: Apparel Sector Strategy Work Group

Co-Chairs:

Alexandra Dagg, Manager, ILGWU Tel: 416 977-1384

Fax: 416 977-6999

Bob Kirke, Director, AM-MAO Tel: 613 565-3047

Fax: 613 231-2305

Autoparts: Canadian Independent Automotive Components Council

Raymond Datt, Wells Manufacturing Tel: 416 670-9419

President, Automotive Industries Fax: 416 670-8956

Association of Canada

Neil De Koker

President, Automotive Parts Manufacturers' Association Tel: 416 620-4220

Fax: 416 620-9730

Dave Robertson, CAW-Canada Tel: 416 495-3771

Fax: 416 495-6552

Biotechnology: Ontario Biotech Council

Graham Strachan, President/CEO Tel: 905 677-0831

Allelix Biopharmaceuticals Inc. Fax: 905 677-9595

Chemicals: Ministerial Advisory Committee on Chemicals

Co-Chairs:

Marina Kovrig, Director, Recochem Inc. Tel: 905 791-1788

Fax: 905 791-7140

Ed Nelson, V.P., Communications, Energy, Tel: 416 622-2740

and Paperworkers Union Fax: 416 620-0781

Computing: Advisory Committee on the Computing Sector

*Past Chair:

Jim Hayward, Vice President, The CGI Group Inc. Tel: 416 862-0430

Fax: 416 862-2321

*Committee completed its work in December 1993. On-going strategy development and implementation is the responsibility of the Council for an Ontario Information Infrastructure (see Telecommunications).

Construction: Ontario Construction Industry Advisory Council

Frank Bisson, Consultant Tel: 905 854-2134

Fax: 905 854-2134

Consulting Engineering

No official chair in place for Advisory Committee. For further information, contact Irene Kovler, Consultant, MEDT at 325-2008.

Cultural Industries: Advisory Committee for Cultural Industries Sector Strategy

Co-chairs:

Peter Grant, Partner, McCarthy Tetrault Tel: 416 362-1812

Fax: 416 868-1891

Alexandra Raffe, CEO, Ontario Film Development Corp. Tel: 416 469-8063

Fax: 416 314-6876

Design: Design Steering Committee

Co-Chairs:

Eleanor Brydone, President, Rice Brydone Inc. Tel: 416 864-9094

Fax: 416 864-1665

John Sewell, Centre for Ethics Tel: 416 977-5097

Fax: 416 348-8689

Electrical/Electronic Products: Electrical/Electronic Products Sector Advisory Council

Co-Chairs:

Hal Dickout, CEO, SRE Controls Tel: 519 725-1250

Fax: 519 725-1645

Glenn Pattinson, Admin V.P., CEP Tel: 416 622-2740

Fax: 416 620-0781

Forestry

For further information on the forestry sector strategy, please contact Ron Vrancart, Assistant Deputy Minister, Ministry of Natural Resources, at 416 314-2621.

Green Industries: Green Industry Ministerial Advisory Committee

Andrew Benedek, Chair and CEO, Zenon Environmental Inc.

Tel: 905 639-6320

Fax: 905 639-1812

Health Industries: Health Sector Council

Richard Taylor, The Leslie Companies Tel: 416 480-9420

Fax: 416 480-9473

Horse Racing: Horse Breeding and Racing Planning Partnership Group

Peter Hardy, Chairman, Partnership Planning Process Tel: 519 473-1402

Fax: 519 667-5101

Machinery/Tool, Die & Mould: Ministerial Advisory Committee for Machinery/Tool, Die & Mould

Co-Chairs:

Louis Erlichman, Director of Research, IAMAW Tel: 613 236-9761

Fax: 613 563-7830

Ruben Petterson, President, Densmore Tool and Die Ltd. Tel: 416 340-8781

Fax: 416 340-9779

Mines/Minerals: Mineral Sector Advisory Council

Patrick Reid, President, Ontario Mining Association Tel: 416 364-5986

Fax: 416 364-9301

Plastics: Ministerial Advisory Committee on Plastics:

Co-Chairs:

Glenn Buchanan, Nat'l Rep, CEP Tel: 416 622-2740

Fax: 416 620-0781

Geoff Clarke, President & CEO, A.T. Plastics Inc. Tel: 905 451-1630

Fax: 905 796-3012

Residential Furniture: Residential Furniture Sector Advisory Council

Chairs:

Pat Thody, President, Simmons Canada Inc. Tel: 905 671-1033

Fax: 905 671-0669

Dennis Novosel, Stoney Creek Furniture Tel: 416 643-4121

Fax: 416 643-6132

Retail: Ontario Retail Sector Advisory Board

Wilfred Posluns, Chairman/CEO, Dylex Ltd. Tel: 416 586-7011

Fax: 416 586-7277

Co-Chairs:

Marci Lipman, President, Marci Lipman Inc. Tel: 416 598-4055

Fax: 416 598-4779

Alasdair McKichan, President, The Retail Council of Canada

Tel: 416 598-4684

Fax: 416 598-3707

Bryan Neath, Ont. Ass't to Director, U.F.C.W. Tel: 416 675-1104

Fax: 416 675-6919

Telecommunications: Council for an Ontario Information Infrastructure

Chair:

Jim Coombs Tel: 613 692-1120

Fax: 613 692-1121

Tourism: Advisory Committee for the Tourism Sectoral Strategy

Michael Beckley, President, Commonwealth Hospitality Tel: 416 675-2030

Fax: 416 675-6935

Wine: Wine Council of Ontario

Bob Davis, Vice President, Andres Wines Limited Tel: 905 643-4131

Fax: 905 643-4944

Tom Greenside, Chairperson Tel: 905 688-0990

Ontario Grape Growers' Marketing Board Fax: 905 688-3211

Under consideration:

Advanced Materials

Consulting Engineers

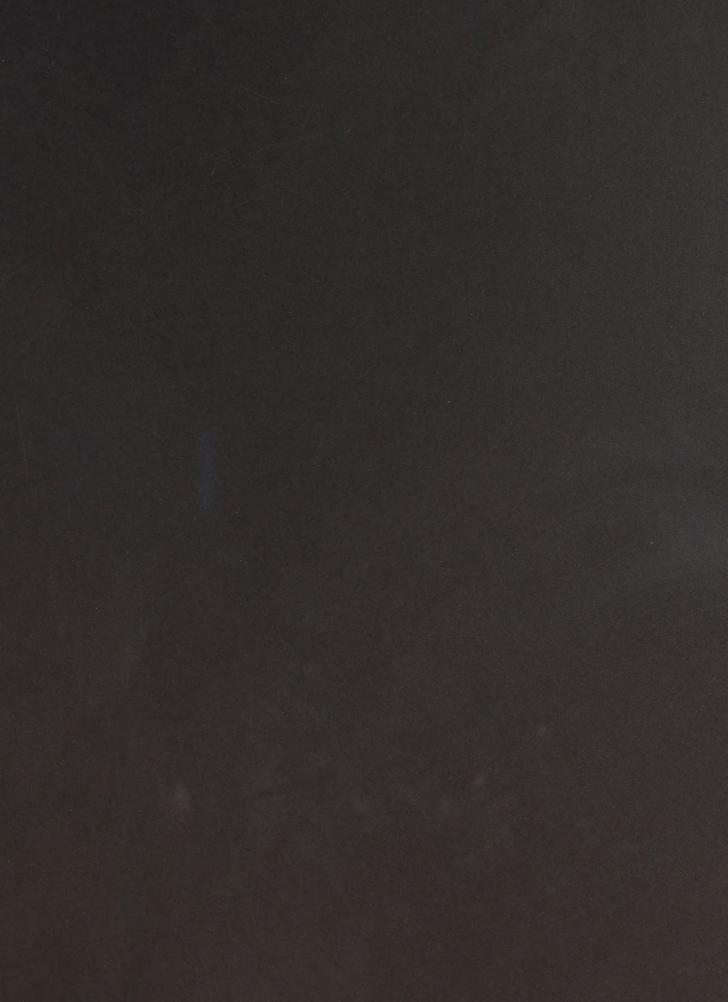
Distilled Spirits

Financial Institutions









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